



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
(COMPTROLLER)

# Intergovernmental Transaction Processing

Business Integration Office (BIO)  
Office of the Deputy Chief Financial Officer (DCFO)  
Office of the Under Secretary of Defense (Comptroller)  
(OUSD(C))  
February 21, 2013



# Today's Agenda

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| Topic                     |
|---------------------------|
| BLUF (page 3)             |
| Background (page 4)       |
| Overview/Demo (pages 5-9) |
| Summary (page 10)         |



- Communicate US Treasury and DoD's commitment to move forward with the IPP solution
- Request executive support for IGT business process & systems solution:
  - Why now?
    - Road to auditability
    - Focus on data standards (SLOA, SFI)
    - Maximize ERP capability
    - Align with Treasury's Gov't Wide initiative
  - What's next? CAWG will:
    - Include acquisition & resource management reps
    - Finalize IPP requirements
    - Define waves for IPP transition (ICW Functional Strategy)
    - Integrate MIPR reengineering, IPAC enhancement & IPP
    - Address marketing, training










DoD is better positioned for success than previous attempts



- Marine Corps IPP “paper pilot” completed – FY12/4<sup>th</sup> qtr
  - (Completed tasks in backup p12)
- Summary of DCFO & Treasury negotiations – FY13/1<sup>st</sup> Qtr
  - DoD evaluated challenges/requirements vs IPP (slide 6)
  - DCFO lobbied for Treasury to support full deployment
  - Treasury Commissioner concurred; standing up a DoD IPP Team
  - Committed to a “live” Marine Corps pilot by 1 Apr 2013
- DCFO issued FY 13 Functional Strategy – IPP Initiative (Jan 13)
  - Campaign Plan for Service Component participation (Slide 16)

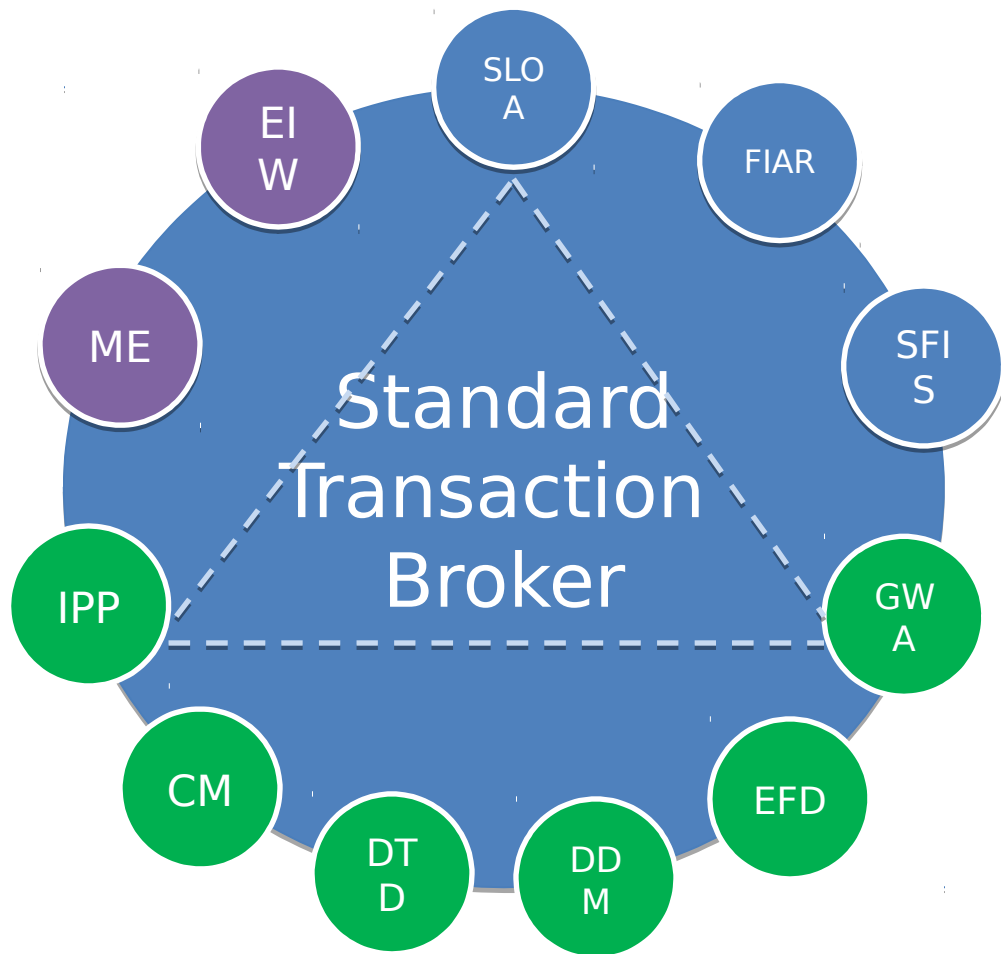


# What's In It for Us?

| Challenge  | Requirement   | IP<br>P  |
|--|---|--|
| <b>Lacking documentation for audit</b>   | <b>Provide for a data warehouse of IGT transactions for audit, research and analysis</b>  |   |
| <b>Buyer and Seller transactions and accounting are out of balance, unable to reconcile (in part due to lack of common identifier)</b>                   | <b>Need common identifier to synchronize buyer and seller accounting transactions (including proper General Ledger treatment) using clearinghouse methodology</b>               | <br> |
| <b>Proof of receipt acceptance</b>   | <b>Require appropriate users to record receipt and acceptance, preserve for audit</b>   |   |
| Buyer and Seller not in full agreement on terms and details transactions   | Automate handshake and agreement between buyer and seller before settlement (reduction in chargebacks)  |    |
| Prompt response to audit findings  | Need affordable and rapidly delivered solution to meet DoD audit readiness campaign plan  |   |
| Lack of visibility of current status of IAA including remaining period of performance, available funding, unfilled orders, filled orders and paid orders | Must preserve association and provide a common identifier for all transaction components throughout life cycle of agreement, and provide a consolidated view of the information | <br>5   |



# FM Strategic Initiatives - The Big Picture

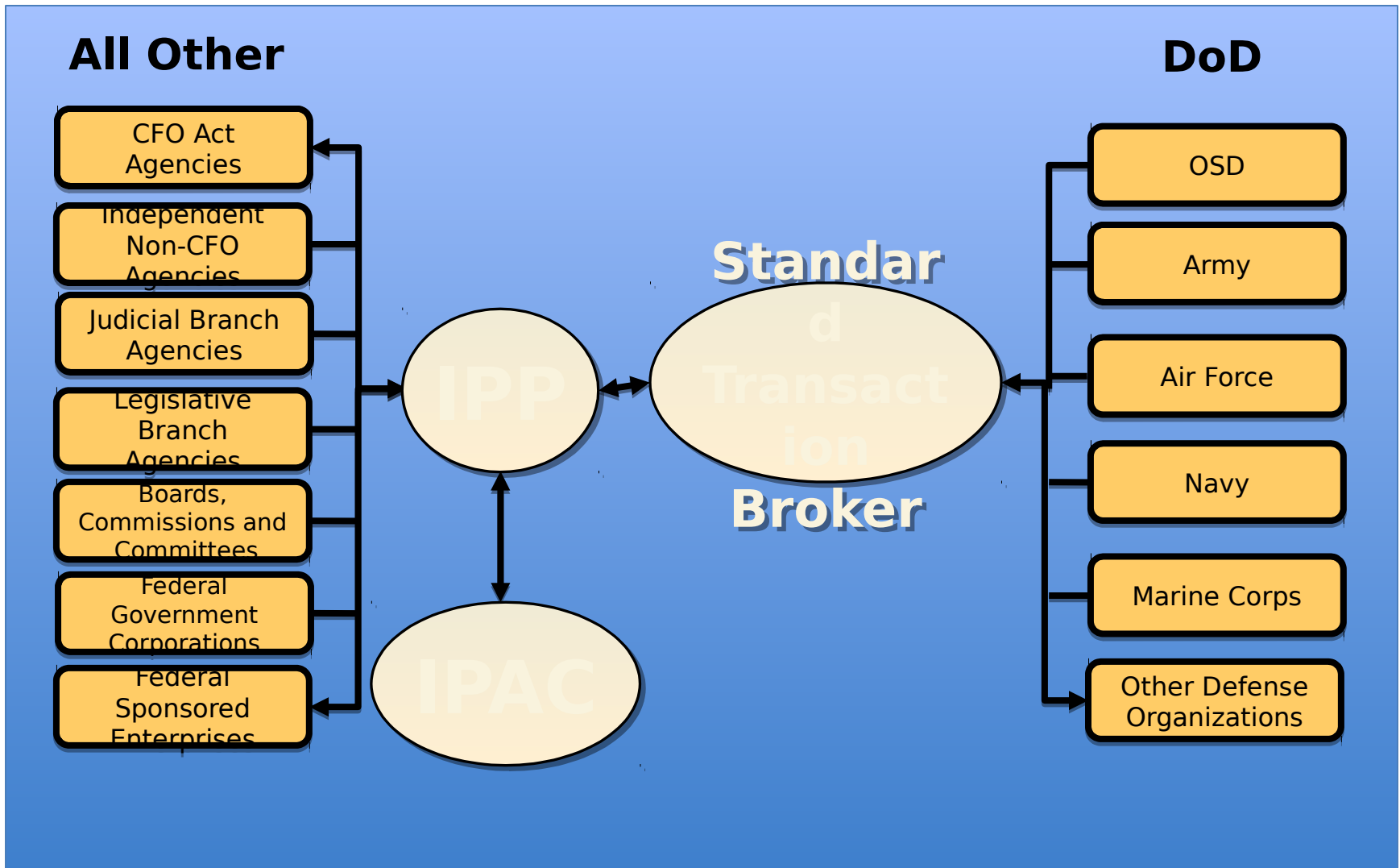


- Compliance and standards
- Process and system improvement
- Leverage technology

**Delivers Measurable Outcomes Over the Next Five Years**

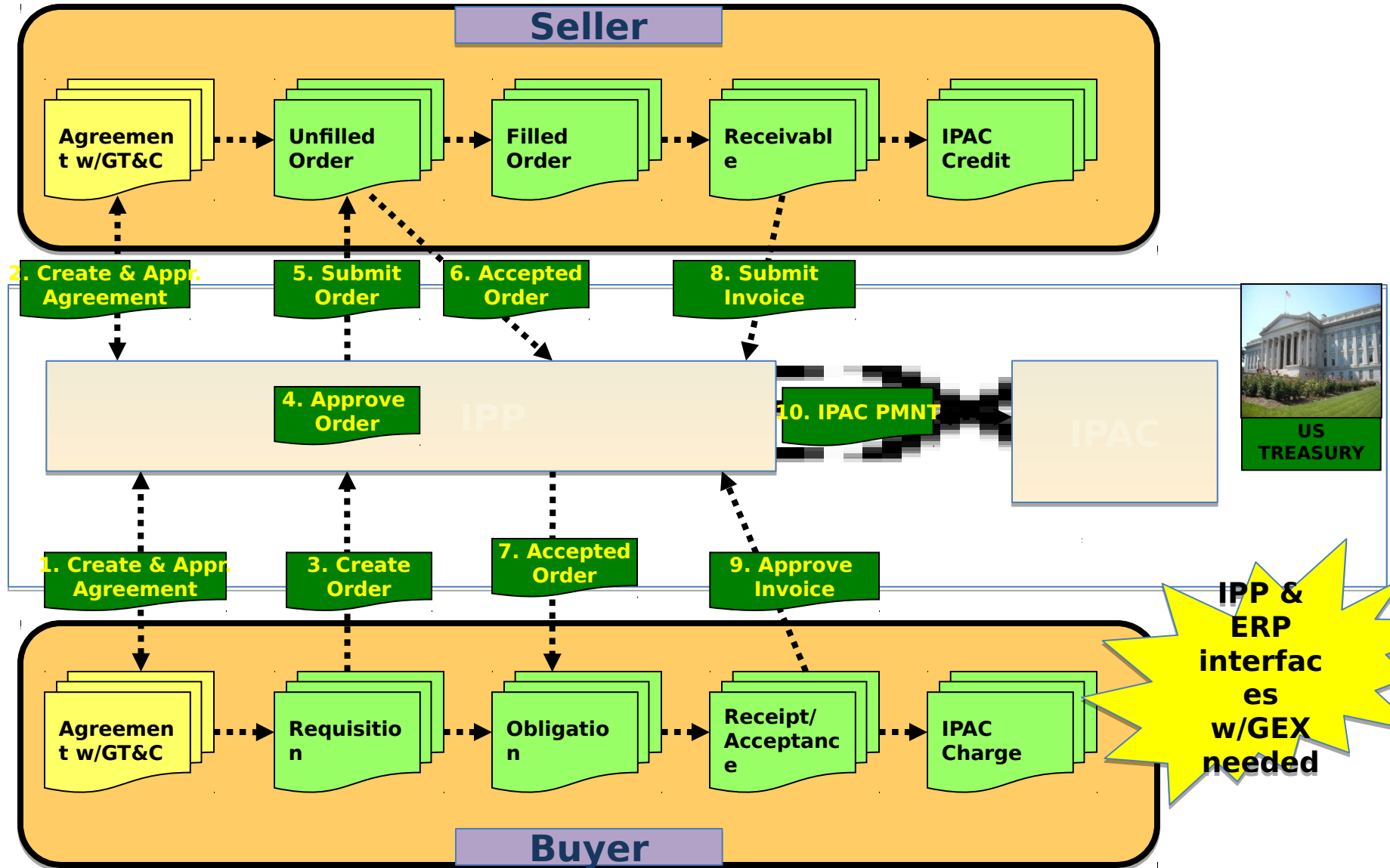


# Future State – Level 1,2,3





# Level 2,3 PILOT for DoD -High Level







# DEMO

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Link for IPP:

[https://qa.ipp.fms.treas.gov/login/IPPLogon\\_Index.htm](https://qa.ipp.fms.treas.gov/login/IPPLogon_Index.htm)



- Treasury and DoD are committed to providing an intergovernmental systems solution for DoD
- Need DFAS, Service Components and ODOs (Acq & FM) collaboration to support the development, testing & deployment
  - Governance
    - DCFO & DPAP & US Treasury– Executive Sponsors
    - P2PWG – Executive Steering & Guidance
    - **CAWG – Collaborative Agency Wide Working Group**



# Backup Slides

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# Marine Corps Pilot – Completed Tasks

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1. Identified previously processed transactions, trading partner for each transaction and solicited pilot participation.
2. Provided diagram/flowchart for the “as-is” process including the major steps, roles, and responsibilities.
3. Set up users and administrators and trained them on IPP.
4. Each transaction was transferred to IPP system
  - a) FMS 7600A General Terms and Conditions (SOW)
  - b) FMS 7600B Order
5. The Pilot ran on FMS IPP Test Environment (QA) (21-23 AUGUST 2012 - LOCAL 21st/22nd REMOTE 23rd).
6. Collected feedback from participants.
7. Requested second round Pilot (Test Environment) for each transaction with revised to-be process (If approved, 1st Qtr of FY13).
8. Evaluated execution of limited/selected pilot transactions in production environment.



# Marine Corps Pilot – Proof of Concept

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1. IPP CAN process Data from Military Inter-Departmental Purchase Requests (MIPR - DD Form 448) , Work Requests (NACOMPT - Form 2275), and FMS Forms 7600 A and B, transactions based on the existing processes and data.
2. IPP CAN process and maintain Business Partner transactions/events, where both the buyer and the seller are aware of actions taken by each other.
3. IPP DOES allow for validation of Receipt and Acceptance prior to submitting the invoice to IPAC (DOD Policy Updates Required).
4. IPP processed the following categories of IGTs
  - a) Marine Corps to Marine Corps



# Marine Corps Pilot – Participants

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- HQMC, Administration & Resources, ARF (B)
  - GPO, Wash DC (S)
- HQMC, Programs & Resources, RFE (B)
  - DFAS Indy/Clev (S)
- MCICOM G8 (B)
- HQMC, HQBN, HH Budget and Accounting Office (B)
  - MCIWest, MCB Camp Pendleton (B)
- MCIWest, MCAS Yuma Comptroller (S)
- LOGCOM, SMAG (B)
  - LOGCOM, DMAG (S Working Capitol)



# Background: DoD IGT Objectives

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- Partner with US Treasury and other federal agencies to address government-wide material weaknesses related to intra-governmental transactions (IGT) eliminations
- Align DoD financial management strategy with IGT federal solution
- Secure the resources for DoD system(s) framework
- Develop re-engineered business process
  - Auditable
  - Compliant
  - Consistent with the government wide plan

# IGT Campaign Plan

|                | FY2013   | FY2014  | FY2015  | FY2016  | FY2017 & Beyond   |
|----------------|--|---|---|---|---|
| IGT            | Near-Term  |   |   |   |   |
|                |  |   |   |   |   |
|                | Mid-Term   |   |   |   |   |
|                |  |   |   |   |   |
| Key Activities | Long-Term  |   |   |   |   |
|                |  |   |   |   |   |
|                |  |   |   |   |   |
|                |  |   |   |   |   |
| Key Activities | Reactivate DoD-IGT Working Group   | IGT Data Set into BEA 11.0  | Develop/Code/Test Interfaces  | Develop/Code/Test Interfaces  | Commence Full Rollout to Remainder of DoD                           |
|                | Determine Viability of IPP as Solution   | Validate/Update FedReg BPN Data                                     | Site Configuration/Setup for Live Pilots                            | Site Configuration/Setup for Live Pilots                                |   |
|                | Analyze Alternatives (if IPP not Viable)   | <b>USMC Submits IGT Rollout Plan</b>                                | Conduct Training for Live Pilots                                    | Conduct Training  |   |
|                | Develop Standard IGT Data Set  | <b>Commence USMC-Navy Rollout</b>                                   | <b>Pilot Navy-Army (Level 2) Live Transactions in IPP</b>           | <b>Commence Full Rollout to USMC, Navy, Army, Air Force and DLA</b>     |   |
| Key Activities | Coordinate and Publish IGT Data Set  | Develop/Code/Test Interfaces  | <b>Commence Navy-Army Rollout</b>                                   | <b>Pilot Level 1 IGT w/ Select MilDeps and Federal Trading Partners</b> | Develop Rollout Plans for Level 1 IGT                               |
|                | <b>Issue Memo Implementing DoD-Wide IGT Solution</b>   | Site Configuration/Setup for Live Pilots                            | <b>Pilot Navy-DLA (Level 2) Live Transactions in IPP</b>            |   |   |
|                | Develop Standard Interface Spec for Buyer-Seller Systems via GEX   | Conduct Training for Live Pilots                                    | <b>Pilot Navy-Air Force (Level 2) Live Transactions in IPP</b>      |   |   |
|                | Develop/Code/Test Interfaces   | <b>Pilot USMC-Army (Level 2) Live Transactions in IPP</b>           | <b>Pilot USMC-DLA (Level 2) Live Transactions in IPP</b>            |   |   |
| Key Activities | Site Configuration/Setup for Live Pilots   | <b>Commence USMC-Army Rollout</b>                                   | <b>Pilot USMC-Air Force (Level 2) Live Transactions in IPP</b>      |   | Army, Air Force and DLA Submit IGT Rollout Plan                     |
|                | Conduct Training for Live Pilot  | <b>Navy Submits IGT Rollout Plan</b>                                | <b>Pilot Army-Air Force (Level 2) Live Transactions in IPP</b>      |   |   |
|                | <b>Pilot USMC-USMC (Level 3) Live Transactions in IPP</b>  | <b>Continue USMC-Federal (Level 1) Pilots</b>                       | <b>Pilot Army-DLA (Level 2) Live Transactions in IPP</b>            |   |   |
|                | <b>Pilot USMC-Navy (Level 2) Live Transactions in IPP</b>  |   | <b>Pilot Air Force-DLA (Level 2) Live Transactions in IPP</b>       |   |   |
| Outcomes       | <b>Pilot USMC-Federal (Level 1) Live Transactions in IPP</b>   |   |   |   |   |
|                | <b>Complete USMC Pilots</b>  | <b>Standard Data Set for IGT incorporated into BEA</b>              | <b>Complete USMC Rollout to MilDeps (starting with Navy)</b>        | <b>Complete IGT Rollout among MilDeps and DLA</b>                       | <b>Complete IGT Rollout to remaining DoD Agencies/Activities</b>    |
|                | <b>Policy issued for IGT DoD-Wide</b>  | <b>Policy issued for maintenance of FedReg data</b>                 | <b>USMC Rollout to Select Federal Trading Partners</b>              |   |   |
|                | <b>Selection of Automated Solution</b>   | <b>Complete USMC-USMC (Level 3)</b>                                 |   |   |   |
| Benefits       | <b>Funding information for FY14 &amp; FY15 IRB process</b>   | <b>Funding information for FY15 &amp; FY16 IRB process</b>          | <b>Funding information for FY16 &amp; FY17 IRB process</b>          | <b>Funding information for FY17 &amp; FY18 IRB process</b>              | <b>Funding information for FY18 &amp; FY19 IRB process</b>          |
|                | <b>Standardize IGT Process DoD-Wide</b>  | <b>Standardize IGT Process DoD-Wide</b>                             | <b>Standardize IGT Process DoD-Wide</b>                             | <b>Standardize IGT Process DoD-Wide</b>                                 | <b>Standard IGT Process DoD-Wide</b>                                |
|                | <b>Single Repository for IGT Orders, i.e. buyer and seller details (Research transactions, generate reports)</b> | <b>Single Repository for IGT Orders (Audit Benefit)</b>             | <b>Single Repository for IGT Orders (Audit Benefit)</b>             | <b>Single Repository for IGT Orders (Audit Benefit)</b>                 | <b>Single Repository for IGT Orders (Audit Benefit)</b>             |
|                | <b>Eliminate manual processing, i.e. scan/email, fax</b>   | <b>Eliminate manual processing, i.e. scan/email, fax</b>            | <b>Eliminate manual processing, i.e. scan/email, fax</b>            | <b>Eliminate manual processing, i.e. scan/email, fax</b>                | <b>Eliminate manual processing, i.e. scan/email, fax</b>            |
| Benefits       | <b>Eliminates use of multiple forms, i.e. MIPR, Work Order, IAA</b>  | <b>Eliminates use of multiple forms, i.e. MIPR, Work Order, IAA</b> | <b>Eliminates use of multiple forms, i.e. MIPR, Work Order, IAA</b> | <b>Eliminates use of multiple forms, i.e. MIPR, Work Order, IAA</b>     | <b>Eliminates use of multiple forms, i.e. MIPR, Work Order, IAA</b> |
|                |  |   |   |   |   |
|                |  |   |   |   |   |
|                |  |   |   |   |   |





# IPP High Level Project Plan

| Deliverable  | Jan-13 | Feb-13 | Mar-13 | May-13 | Jun-13 | Aug-13 | Sep-13 | Oct-13 | Dec-13 | Jan-14 |  |  |  |  |  |  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--|--|--|--|--|
| <b>Weekly Strategy Meetings</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Convene DoD IGT WG</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>DoD Process Maps by Component</b>   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| Buyer  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| Seller   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Link Process Map to GL &amp; FBWT</b>   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Identify Key Controls in Process (ICW FIAR)</b>   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Identify Governance, Roles &amp; Responsibilities for key processes</b>                                 |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Identify Data Standards for IGT transactions/test standard interface via GEX</b>                        |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Determine Systems Requirements (GAP analysis, high level requirements incl scope, cost, schedule, )</b> |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>USMC/level 3, level 2 (Navy) - "live pilots (Wave 1)"</b>   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Marketing: Develop ongoing communications via ASMC/AGA</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Training: Develop &amp; Deploy Train the Trainer Program</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Issue applicable POLICY &amp; update BEA</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>SCR Implementation POAM (based on Wave Plan)</b>  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>USMC/level 2 Army - "live pilot - Wave 2"</b>   |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
|  |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |
| <b>Commence Planning for FY14 Army &amp; AF deployment (Wave 3 &amp; 4)</b>                                |        |        |        |        |        |        |        |        |        |        |  |  |  |  |  |  |